

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

A280.3449
C39

MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE, MARKETING AREA

RECEIVED

Volume 21

SEPTEMBER 1976

Number 2

Released Pursuant to \$1000.3 and \$1090.86, USDA-AMS
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 411
J. E. Bobo, Market Administrator

MARKET SUMMARY - SEPTEMBER 1976

The Chattanooga Order minimum uniform producer price is \$10.42 per cwt. at pool plants for milk testing 3.5% butterfat. The producer butterfat differential is 10.6 cents for each one-tenth of one percent above or below 3.5% test. This is a price increase of \$1.02 above September 1975 and an increase of 25 cents above August 1976.

In September 1976, 81.36% of producer milk received by pool plants was priced in Class I at \$10.86 per cwt., 8.56% was priced in Class II at \$8.56 per cwt. and 10.08% was priced in Class III at \$8.46 per cwt. for milk testing 3.5% butterfat. The September butterfat differential for all milk testing above or below 3.5% is 10.6 cents.

Total producer milk received at pool plants during September 1976 was 30,120,750 pounds which is an increase of 2,169,120 pounds or a daily average increase of 7.76% compared with September 1975. The September daily average deliveries from 504 producers was 1,992 pounds. This compares to 561 farms delivering a daily average of 1,519 pounds per day during September 1975.

SEPTEMBER MILK PRODUCTION 6.4 PERCENT ABOVE LAST YEAR

September 1976 milk production of 9,652 million pounds was 6.4 percent above a year earlier and 5.6 percent above September 1974. Average production per cow at 874 pounds was 59 pounds more than a year earlier and also 59 pounds above September 1974. Partially offsetting the increase in rate per cow was an 0.8 percent decline from a year earlier in the number of milk cows, estimated at 11,041,000 head during September. Milk cows declined 6,000 head from the previous month.

Production during the first 9 months of the year totaled 91,774 million pounds -- an increase of 4.1 percent from the same period last year and 3.5 percent above the same period in 1974.

MILK-FEED PRICE RATIO UP SLIGHTLY

The September milk-feed price ratio, at 1.53, was 0.7 percent above last month and 3.4 percent above a year ago. Increased milk prices more than offset slightly higher feed costs.

GRAIN AND OTHER CONCENTRATES FED UP FROM YEAR EARLIER

Grain and other concentrates fed to milk cows on October 1 averaged 12.6 pounds per cow - 0.5 pounds above a year earlier and 0.9 above October 1, 1974

Source: Milk Production - USDA, Statistical Reporting Service, October 13, 1976

COMPARISON OF MILK RECEIPTS AND UTILIZATION
(DAILY AVERAGE POUNDS)

	Sept. '76 Over Sept. '75	Sept. 1976 <u>4</u>	Aug. 1976 <u>4</u>	Sept. 1975 <u>4</u>
Number of Plants - Pool				
- Non-Pool		13	13	12
<u>RECEIPTS</u>				
Pool Plants - Producer Milk	+ 7.8	1,004,025	972,730	931,721
- Other Source	- 52.8	37,264	41,916	78,990
- Other Federal Order	- 86.0	1,297	8,636	9,251
Non-Pool Plants - Cl. I Sales in Area	+ 1.4	58,332	49,496	57,541
TOTAL MILK RECEIPTS	+ 2.2	1,100,918	1,072,778	1,077,503

UTILIZATIONClass I Uses

Homogenized Milk	- 10.3	390,676	383,549	435,427
Lowfat - 2% Milk	+ 2.2	282,636	269,014	276,445
Skim and 1% Milk	+ 2.9	21,020	20,410	20,424
Buttermilk	- 2.1	57,413	57,282	58,643
Flavored Milk and Drink	+ 17.6	50,144	31,833	42,639
Sub-Total of Pkg. Items (Pool Plants)-	3.8	801,889	762,088	833,578
Other, Shrinkage		5,161	5,753	573
Sales to Non-Pool Plants	- 42.6	9,893	4,387	17,227
In Area Sales by Non-Pool Plants	+ 1.4	58,332	49,496	57,541
TOTAL CLASS I USAGE	- 3.7	875,275	821,724	908,919

Class II Uses - Pool Plants Only

Sweet Creams - Routes	+ 3.7	2,382	2,676	2,298
Sour Cream and Dip - Routes	+ 4.4	1,831	1,831	1,754
Yogurt - Routes	+ 11.2	578	515	520
Frozen Desserts and Ice Milk Mixes	- 24.8	66,486	88,303	88,461
Other, Cottage Cheese, Inv. Var., etc.-	3.4	40,701	43,849	42,123
Sales to Non-Pool Plants	+ 6.1	8,206	7,482	7,733
TOTAL CLASS II USAGE	- 15.9	120,184	144,656	142,889

Class III Uses - Pool Plants Only

Animal Feed and Dumped	+ 4.3	7,234	6,054	6,933
Class III Shrinkage	- 2.0	17,168	16,702	17,519
Inventory Variation		15,897	18,034	(10,915)
Other, Overage, etc.		783	76	75
Sales to Non-Pool Plants	+432.8	64,377	65,532	12,083
TOTAL CLASS III USAGE	+310.4	105,459	106,398	25,695

IN AREA PACKAGE ROUTE DISPOSITION
BY POOL PLANTS AND NON-POOL PLANTS

Homogenized Milk	- 11.7	291,637	275,771	330,166
Lowfat - 2% Milk	- 1.7	195,376	189,079	198,815
Skim and 1% Milk	+ 11.5	15,814	14,745	14,183
Buttermilk	- 5.2	43,182	43,473	45,527
Flavored Milk and Drink	+ 16.3	39,757	21,632	34,183
Total Class I Disposition In-Area	- 6.0	585,766	544,700	622,874

CLASS I PKG. ROUTE DISPOSITION

In-Area by Pool Plants	- 6.7	527,434	495,204	565,333
In-Area by Non-Pool Plants	+ 1.4	58,332	49,496	57,541

COMPUTATION OF WEIGHTED AVERAGE PRICE

Page 3

SEPTEMBER 1976	Class Percent	Butterfat Pounds	Product Pounds	Cwt. Price @ 3.5%	Total Value
Class I Producer Milk	81.3668	633,688	24,508,300	\$10.86	\$2,661,601.38
Class II Producer Milk	8.5570	234,857	2,577,439	8.56	220,628.78
Class III Producer Milk	10.0762	254,878	3,035,011	8.46	256,761.93
TOTAL PRODUCER MILK	100.0000	1,123,423	30,120,750		3,138,992.09
Less Handler Class I Location Adjustment					-0-
Add Value of Overages					-0-
Add Inventory Reclassification Charges					-0-
Add Value of Class I Other Source Milk and Producer Location Adjustment					-0-
Add $\frac{1}{2}$ Producer-Settlement Fund Balance					12,193.26
Total Utilization Value @ 3.5% Test			30,120,750	\$10.461842	\$3,151,185.35
Less Producer Settlement Fund Reserve			30,120,750	.041842	12,603.12
WEIGHTED AVERAGE PRICE @ 3.5% TEST			30,120,750	\$10.42	\$3,138,582.23

SEPTEMBER 1976 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANTS

BUTTERFAT DIFFERENTIAL 10.6¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$ 9.89	3.6	\$10.526	4.2	\$11.162	4.8	\$11.798	5.4	\$12.434
3.05	9.943	3.65	10.579	4.25	11.215	4.85	11.851	5.45	12.487
3.1	9.996	3.7	10.632	4.3	11.268	4.9	11.904	5.5	12.54
3.15	10.049	3.75	10.685	4.35	11.321	4.95	11.957	5.55	12.593
3.2	10.102	3.8	10.738	4.4	11.374	5.0	12.01	5.6	12.646
3.25	10.155	3.85	10.791	4.45	11.427	5.05	12.063	5.65	12.699
3.3	10.208	3.9	10.844	4.5	11.48	5.1	12.116	5.7	12.752
3.35	10.261	3.95	10.897	4.55	11.533	5.15	12.169	5.75	12.805
3.4	10.314	4.0	10.95	4.6	11.586	5.2	12.222	5.8	12.858
3.45	10.367	4.05	11.003	4.65	11.639	5.25	12.275	5.85	12.911
3.5	10.42	4.1	11.056	4.7	11.692	5.3	12.328	5.9	12.964
3.55	10.473	4.15	11.109	4.75	11.745	5.35	12.381	5.95	13.017

POOL PLANT ROUTE DISPOSITION SELECTED PACKAGE ITEMS - SEPTEMBER 1976

Items	Milk Pounds	Av. Test	% of Total
Homo Milk	11,720,278	3.30%	48.43
Lowfat - 2% Milk	8,479,070	2.00	35.03
Skim & 1% Milk	630,589	.47	2.60
Buttermilk	1,722,381	.41	7.12
Flavored Drink	1,504,338	1.54	6.22
Half & Half	59,114	11.49	.24
Whip Cream	12,345	35.71	.06
Sour Cream	37,819	19.64	.16
Sour Cream Dip	17,098	19.83	.07
Yogurt	17,328	1.50	..07
Total	24,200,360		100.00%

CHATTANOOGA ORDER MINIMUM MILK PRICES (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/		
	Per Hundredweight			Butterfat Diff.	Per Hundredweight		
	Uniform	Base	Excess		Class I	Class II	Class III
Sept. '75	\$9.40	-	-	10.1¢	\$9.50	\$8.37	\$8.27
Oct.	9.71	-	-	10.7	9.85	8.70	8.60
Nov.	10.20	-	-	11.2	10.42	8.94	8.84
Dec.	10.47	-	-	11.9	10.75	9.18	9.08
Jan. '76	10.67	-	-	9.9	10.99	9.00	8.90
Feb.	10.52	-	-	9.3	11.23	8.35	8.25
Mar.	10.45 2/	10.77	8.60	9.9	11.05	8.70	8.60
Apr.	9.93 2/	10.25	8.44	10.3	10.40	8.54	8.44
May	10.13 2/	10.51	8.30	10.3	10.75	8.40	8.30
June	9.99 2/	10.30	8.32	10.9	10.59	8.42	8.32
July	10.15 2/	10.42	8.73	12.2	10.45	8.81	8.71
Aug.	10.17	-	-	12.2	10.47	9.09	8.99
Sept.	10.42	-	-	10.6	10.86	8.56	8.46
Oct.	-	-	-	-	11.09 4/	-	-
Nov.	-	-	-	-	10.56 4/	-	-

Date	PRICE QUOTATIONS			PRODUCER MILK					
	Chi. 92° Butter	Chi. Area Powder	Minn/Wisc. Mfg. Milk	Daily Average Pounds			Percentage Use		
	¢ Lb.	¢ Lb.	Cwt. -3.5%	Class 1	Class II	Class III	Per Class		
							I	II	III
Sept. '75	87.87	64.08	\$8.27	845,822	63,103	22,796	90.8	6.8	2.4
Oct.	93.04	68.29	8.60	802,424	61,598	42,129	88.6	6.8	4.6
Nov.	97.28	71.36	8.84	789,061	61,333	70,400	85.7	6.7	7.6
Dec.	103.62	71.17	9.08	781,138	56,999	106,216	82.7	6.0	11.3
Jan. '76	86.12	66.04	8.90	793,143	65,413	81,716	84.3	7.0	8.7
Feb.	80.94	64.25	8.25	776,243	73,379	174,585	75.8	7.2	17.0
Mar.	86.05	63.37	8.60	781,605	95,916	163,947	75.0	9.2	15.8
Apr.	89.52	62.90	8.44	791,241	81,999	182,017	75.0	7.8	17.2
May	89.88	62.71	8.30	769,885	89,542	178,561	74.2	8.6	17.2
June	95.02	62.69	8.32	721,538	99,618	171,110	72.7	10.0	17.3
July	105.75	62.79	8.71	767,464	62,014	115,995	81.1	6.6	12.3
Aug.	106.24	62.62	8.99	769,840	102,309	100,581	79.1	10.5	10.4
Sept.	92.39	62.77	8.46	816,943	85,915	101,167	81.4	8.6	10.0

SUMMARY RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK 3/			PRODUCER DATA					
	No. Hdlers	Total Receipts	Class I Use	Pool Plants	No. Prod.	Total Delivery	Base Delivery	Average Test-%	Av. Per Farm
Sept. '75	16	1,077,503	908,919	4	540	931,721	-	3.66	1,725
Oct.	16	1,046,372	867,764	4	505	906,151	-	3.81	1,794
Nov.	15	1,035,802	845,453	4	501	920,794	-	3.87	1,838
Dec.	15	1,042,931	840,671	4	507	944,353	-	3.97	1,863
Jan. '76	15	1,065,845	872,481	4	509	940,272	-	4.03	1,847
Feb.	15	1,137,045	836,640	4	538	1,024,207	-	3.93	1,904
Mar.	15	1,150,288	844,441	4	506	1,041,468	892,803	3.82	2,058
Apr.	15	1,163,690	850,642	4	504	1,055,257	869,474	3.72	2,094
May	17	1,135,571	829,713	4	500	1,037,988	860,716	3.69	2,076
June	17	1,093,470	772,327	4	500	992,266	837,990	3.65	1,985
July	17	1,060,213	818,423	4	510	945,473	797,475	3.62	1,854
Aug.	17	1,072,778	821,724	4	499	972,730	-	3.60	1,949
Sept.	17	1,100,918	875,275	4	504	1,004,025	-	3.73	1,992

1/ Excludes Premium

3/ Other Source is Gross Minus Producer

2/ Weighted Average Price

4/ Price for Tenn. Valley Order,
Effective 1, 1976